

TRUST BOARD

Title:	Finance Performance at Month 10 - 2018/19
Action:	FOR DISCUSSION
Meeting:	13 March 2019

Purpose:

This paper reports the financial performance to Month 10 - 2018/19 and highlights key messages to bring to the Board's attention.

- The Trust delivered an in month operating surplus of £178k for Month 9 and £177k for Month 10.
- The cumulative position to Month 10 is a £1,775k surplus.
- The cash balance at 31 January 2019 was £11.45m.
- The Use of Resources (UOR) Metric continues to be level 1 for the reporting period.
- The Trust's Cost Improvement Plan (CIP) delivered savings of £0.526m over months 9 and 10, giving a total achievement of £2.231m for the financial year against planned schemes of £2.243m.
- Board Risks impacted by the information included in this report are 2257 – risk to maintaining financial sustainability and 2610 - performance against savings the 2018/19 target.

Recommendation:

The Trust Board is asked to discuss and note the information contained within the report and to accept the findings included in the finance report.

	Name	Title
Author:	Paul Spencer	Head of Statutory Accounting
Executive sponsor:	Mark Robbins	Director of Finance and Resources

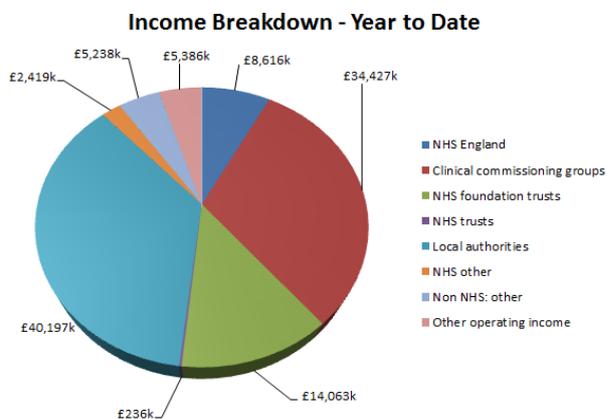
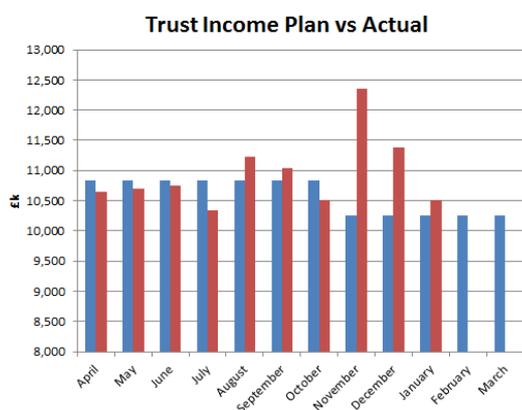
1. Executive Summary

1.1 Key Messages for the Trust's financial performance for Month 10:

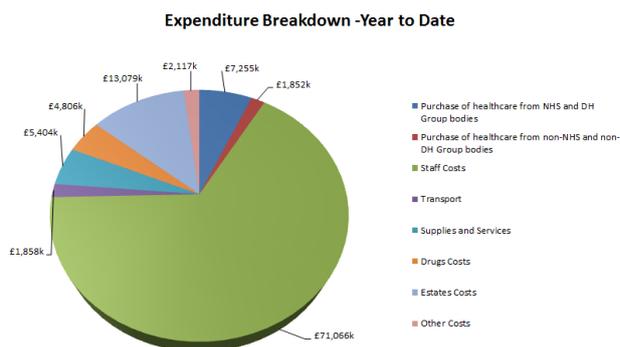
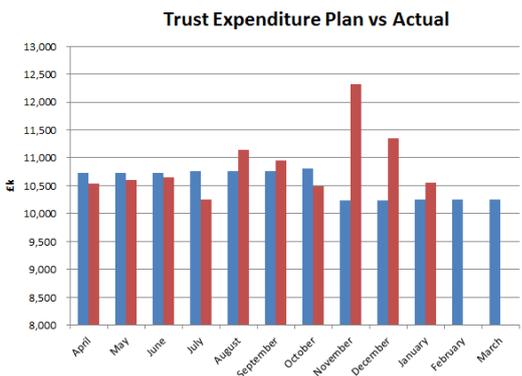
- The Trust delivered an in month operating surplus of £178k for Month 9 and £177k for Month 10, against a planned surplus of £177k and £177k respectively.
- The cumulative position in Month 10 is a £1,775k surplus, against a year to date plan of £1,763k.
- The cash balance at 31 January 2019 was £11.45m.
- The Use of Resources (UOR) Metric continues to be level 1 for the reporting period.
- The Trust's Cost Improvement Plan (CIP) delivered savings of £0.526m over months 9 and 10, giving a total achievement of £2.231m for the financial year against planned schemes of £2.243m. CIP performance is a Board Risk number 2610.

2. Trust Wide Financial Performance for Month 10 2018/19

2.1 Income



2.2 Expenditure



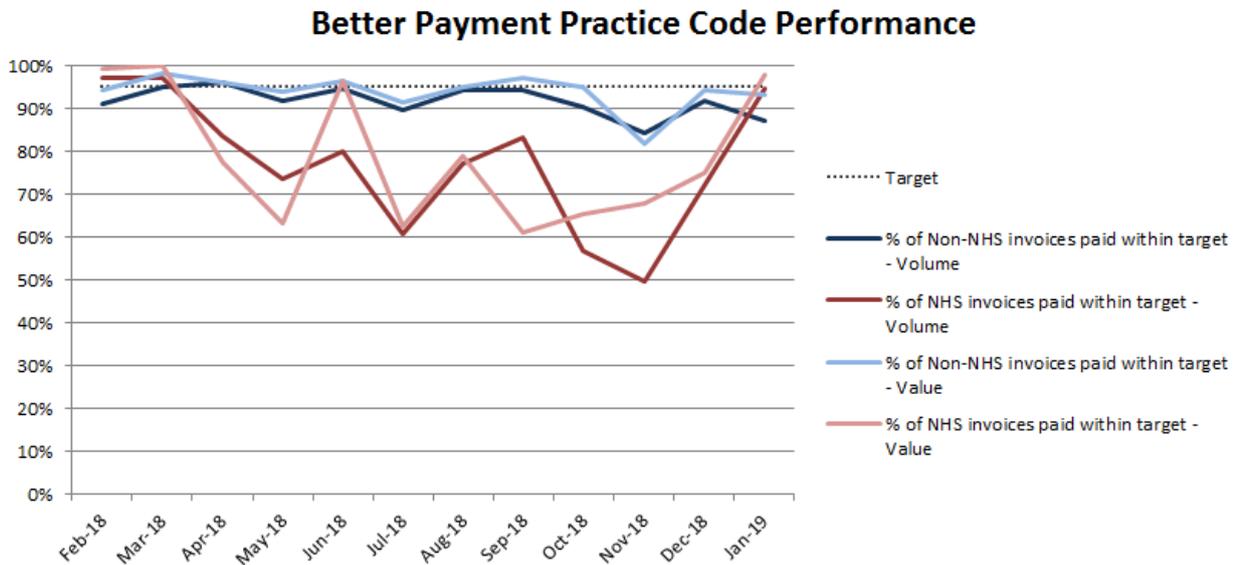
The Trust's income and expenditure continues to be above plan due to the delayed transfer of children's acute services to North West Anglia NHS FT, which was expected to take place at the start of November. Income and expenditure also increased in December due to Flu and Immunisation service activity.

2.3 Cash Balance



The cash balance of £11.45m at Month 10 represents an overall increase of £1.1m from the Month 9 cash balance. During the reporting period, Cambs County Council paid a significant amount to reduce their outstanding receivable balance.

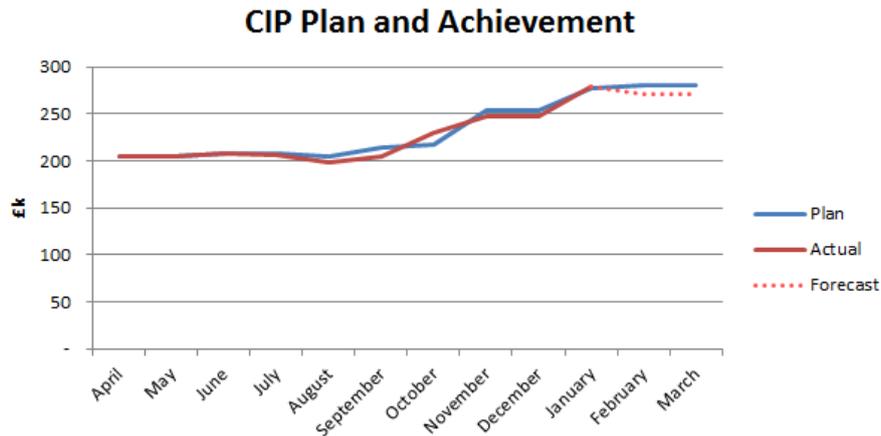
2.4 Better Payment Practice Code



The average in month prompt payments results across the four categories was 83% in Month 9 and 93% in Month 10. In Month 10, the Trust achieved the 95% target in NHS invoices by value.

The overall Trust average across the four categories for the last 12 months has decrease to 85% from 86%. The Finance team will continue to work closely with the teams and services to ensure all invoices are processed promptly.

2.5 Cost Improvement (CIP)



The Trust's 2018/19 Cost Improvement Plans (CIP's) have delivered cumulative savings in the financial year of £2.231m against a target of £2.243m. The Trust has identified schemes to deliver £2.725m of the annual savings target of £2.803m. The full year effect of the schemes identified in 2018/19 is £3.189m.

2.6 Capital Spend

	18/19 Annual Plan	18/19 Cost	18/19 Commitment
All Sites	£270k	£161k	£161k
Bedford	£229k	£233k	£233k
Bid Success	£50k	-	-
Brookfield HC	£50k	-	-
Brookfield Hosp	£270k	£102k	£102k
Doddington	£100k	£2k	£2k
Hinchingbrooke	£50k	-	-
Luton	£25k	-	-
Midgate DAC	£10k	-	-
North Cambs	£1,439k	£1,281k	£1,795k
Oak Tree	£185k	-	-
Peterborough	£356k	£400k	£400k
POW	£50k	£51k	£51k
Ramsey Rd Clinic	£50k	-	-
Dental Xray Equipment	£125k	£152k	£152k
Equipment Replacement	£167k	-	-
IT Infrastructure	£42k	£352k	£352k
Grand Total (net)	£3,467k	£2,734k	£3,248k

The project at Dunstable Health Centre is nearing completion and Phase two at North Cambs Hospital is underway.

3. Finance Scorecard

Finance Dashboard - Month 10	Section in Report	Plan 31/01/19	Actual 31/01/19	Variance 31/01/19
Operating income from patient care activities	2.1	£102,206k	£105,196k	£2,990k
Other operating income	2.1	£5,526k	£5,386k	(£140k)
Employee expenses	2.2	£69,573k	£71,023k	(£1,450k)
Operating expenses excluding employee expenses	2.2	£34,971k	£36,359k	(£1,388k)
Trust Surplus/(Deficit)		£1,763k	£1,775k	£12k
Closing Cash Balance	2.3	£6,360k	£11,448k	£5,088k
Cost Improvement Plan (CIP)	2.5	£2,243k	£2,231k	(£12k)
Capital Programme	2.6	£3,991k	£3,200k	£791k
Use of Resources Metric	4.3	1	1	-
Agency Spend	4.5	£2,165k	£1,764k	£401k
Bank Spend	4.6	£908k	£1,045k	£137k
Provider sustainability fund (PSF)		£1,156k	£1,156k	£0k

4. Summary of Financial Performance

4.1 Net Income & Expenditure

Division Level	Jan-19					
	Income £'000	Pay £'000	Non-Pay £'000	Net Total £'000	Net Budget £'000	Variance £'000
Ambulatory Care Services	1,360	(14,699)	(8,929)	(22,268)	(22,438)	171
Bedfordshire Community Unit	653	(9,898)	(1,826)	(11,070)	(11,731)	660
Childrens & Younger Peoples Services	2,240	(26,698)	(3,571)	(28,028)	(28,500)	471
Luton Community Unit	929	(14,120)	(2,671)	(15,861)	(16,421)	560
Other Services	-	-	-	-	-	-
- Contract Income & Reserves	95,982	15	(8,527)	87,470	88,436	(965)
- Corporate Services	4,974	(5,522)	(6,959)	(7,507)	(7,130)	(377)
- Health Centres	4,445	(148)	(5,267)	(970)	(461)	(509)
CCS Total @ 31 January 2019	110,583	(71,067)	(37,749)	1,766	1,755	12

Ambulatory Care Services delivered its budget position in month 9 and an underspend of £189k in month 10. The main reasons for the underspend is due to an increase in the pay budget for Bedfordshire and Suffolk iCaSH to reflect the achievement of CIP and additional costs for express testing.

Bedfordshire Community Unit delivered a £65k underspend in month 9 and a £35k underspend in month 10. In both months, pay costs were lower than plan, due to vacancies and establishment control.

Children's & Younger Peoples Services delivered a net overspend of £2k in month 9 and a £110k underspend in month 10. The cumulative underspend position is mainly due to pay costs being lower than plan, due to vacancies and establishment control in the Healthy Child Programme (HCP) services in Cambridgeshire and Norfolk. Higher than expected agency costs in Acute Children's services in Cambridgeshire and Flu and Immunisation service costs, contributed to the overspend in month 9.

Luton Community Unit (including Luton Children's Services) delivered an underspend of £4k in month 9 and a £64k underspend in month 10. The underspends were due to pay establishment savings in District Nursing and Cancer and Palliative Care and Children's services for both periods.

4.2 CIP Dashboard

COST IMPROVEMENT PLAN 2018/2019 SUMMARY

OVERALL STATUS AT: **Month 10 - January 19**

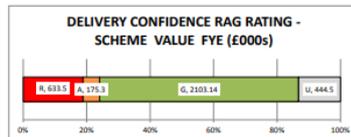
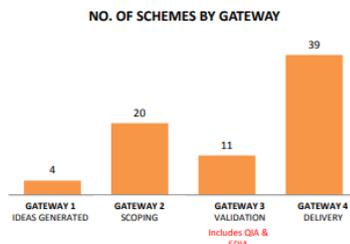
TARGET (£'000)	PLAN AND FORECAST	PLAN FYE (£'000s)	FORECAST FYE (£'000s)	PLAN PYE (£'000s)	FORECAST PYE (£'000s)
3303*	18/19 IDENTIFIED SCHEMES:	2,912	2,942	2,358	2,302
	18/19 UNIDENTIFIED SCHEMES	445	247	445	23
	NON RECURRENT SAVINGS	0	0	0	399
	TOTAL PLAN	3,356	3,189	2,803	2,725

*Includes £303k c/fwd schemes

DELIVERED (YTD)	
PLANNED SAVINGS YTD (£000):	SAVINGS DELIVERED YTD (£000):
2,243	2,231
VARIANCE FROM TARGET (£'000s): -12	
VARIANCE FROM TARGET (%): -1%	

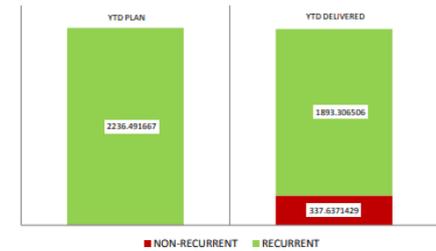
SCHEMES

TOTAL NO. OF SCHEMES = 74

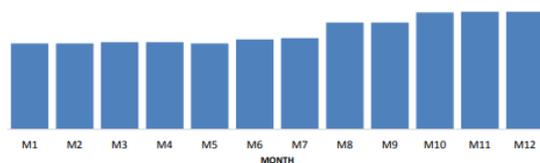


RED = Successful delivery of the savings appears to be in doubt or unachievable
AMBER = Delivery appears feasible however constant attention needed/Delivery of planned savings is affected - either the total sum or the phasing.
GREEN = Successful delivery of the savings within the planned timeframe appears highly likely
GREY = Unidentified schemes, part of target

PLAN VS ACTUAL



PLANNED SAVINGS PROFILE (£'000)



SERVICE AREA



4.3 Use of Resources (UOR)

The Single Oversight Framework (SOF) sets out the NHS Improvement's approach to overseeing NHS providers. The SOF assesses the financial performance of providers via the "Use of Resources Metrics (UOR)" comprising the following five metrics:

- Liquidity Ratio
- Capital Servicing Capacity
- I&E Margin
- I&E Distance from Plan
- Agency

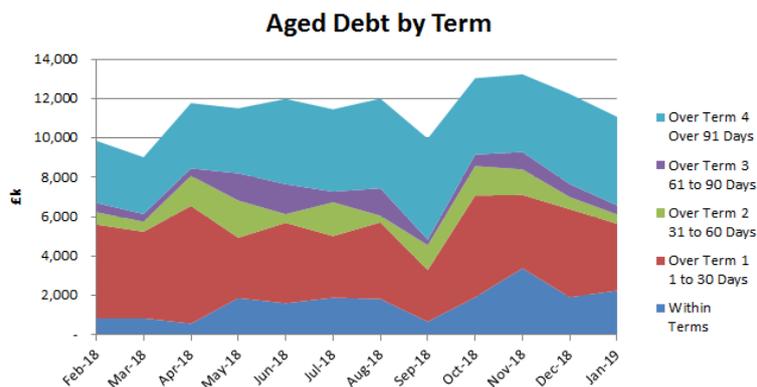
The table below illustrates the Trust's current score (please note the rating is 1 - 4, with 1 being the highest rating). The Trust is currently achieving a 1 rating in all metrics.

(1) Liquidity Ratio	1
(2) Capital Servicing Capacity	1
(3) I&E Margin	1
(4) I&E Margin Distance from Plan	1
(5) Agency	1
Use Of Resources Rating	1

4.4 Statement of Financial Position

	January 2019 £'000	November 2018 £'000
Non-Current Assets		
Property, plant and equipment	52,703	52,486
Intangible assets	107	122
Total non-current assets	52,810	52,608
Current assets		
Inventories	41	41
Trade and other receivables	16,264	17,758
Cash and cash equivalents	11,451	9,654
Total current assets	27,756	27,453
Total assets	80,566	80,061
Current liabilities		
Trade and other payables	(18,374)	(17,838)
Provisions	(443)	(449)
Total current liabilities	(18,817)	(18,287)
Net current assets	8,939	9,166
Total assets less current liabilities	61,749	61,774
Non-current liabilities		
Trade and other payables	(1,045)	(1,045)
Provisions	(1,484)	(1,844)
Total non-current liabilities	(2,529)	(2,889)
Total assets employed	59,220	58,885
Financed by taxpayers' equity:		
Public dividend capital	2,107	2,107
Retained earnings	39,995	39,660
Revaluation Reserve	18,771	18,771
Merger Reserve	(1,653)	(1,653)
Total Taxpayers' Equity	59,220	58,885

Trade and other receivables have decreased over the reporting period by £1.5m. Trade and other payables have increased by £0.5m and capital spend has increased non-current asset over the period.



Total trade receivables decreased by £1.0m in December to £12.2m and then decreased again by £1.2m in January to £11.0m. The breakdown in January is £5.8m (52%) from NHS organisations; £3.6m (33%) from Local Authorities; and £1.6m (15%) from other parties.

Of the receivables over terms, the main organisations contributing to the balances are:-

Norfolk County Council	£1.8m
Cambridgeshire County Council	£1.6m
Cambridgeshire and Pboro CCG	£0.6m
Cambridgeshire and Pboro NHS FT	£0.5m

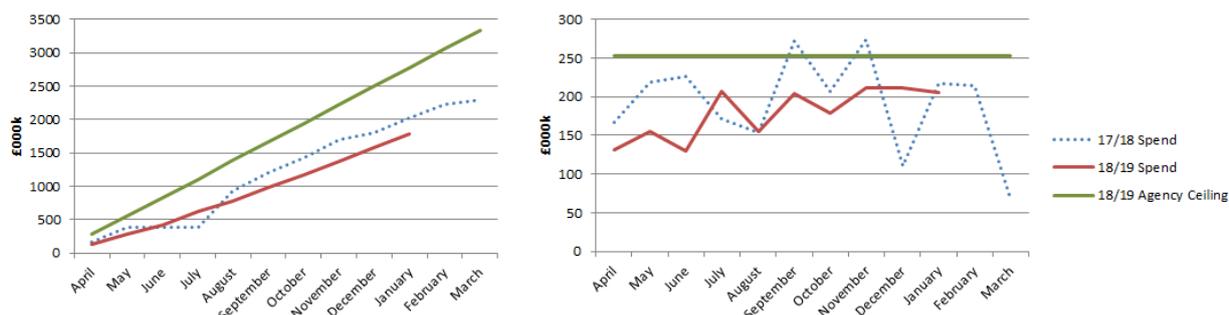
For the debt over 90 days old, as this is predominantly due from NHS and Local Authority bodies, it is not deemed necessary to raise a Provision against these balances as the risk of non-recovery is low. After this reporting period (Month 10), Norfolk County Council, Cambridgeshire County Council, Cambridgeshire and Pboro CCG and Cambridgeshire and Pboro NHS FT have subsequently paid £1.8m, £0.2m, £0.1m and £0.4m respectively to reduce their outstanding balance.

4.5 Agency Ceiling

The Trust's agency spend ceiling for 2018/19 totals £3,040k, which was a reduction from 2017/18's ceiling of £3,332k. The Trust's agency ceiling will reduce further in 2019/20 to £2,240k.

The Trust's cumulative agency spend to Month 10 is £1,790k which compares to £2,018k at Month 10 in 2017/18.

The tables below illustrate the monthly cumulative and actual performance of total agency spend.



4.6 Use of Bank Staff

To assist the Trust to remain within the agency spend ceiling, the services have the availability of bank staff to fill short term staffing pressures. Bank spend has been steadily increasing and remains higher than 2017/18, with cumulative spend to Month 10 totalling £1,045k which compares to £888k at Month 10 in 2017/18.

The table below illustrates the Trust's monthly and cumulative bank spend.

